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KHPA Denounces Post Audit Suggestions of “Fraud”
Calls on Legislature to Support Ongoing Reform, Efficiency Efforts

(TOPEKA) – The Kansas Health Policy Authority today denounced suggestions of widespread “fraud” in the Kansas Medicaid program and called on legislators to join with the new agency’s ongoing efforts to improve accountability and efficiency in the program.

In response to a report Friday, Dec. 19, by the Legislative Division of Post Audit, and the numerous media reports about that audit, KHPA executive Director Marcia Nielsen said the insinuations of Medicaid fraudulent activity – a serious allegation – “were not supported by the facts.”

“What the data suggests is the need to run a tighter program, and that’s exactly what we’ve begun to do,” Nielsen said. “Most of the audit period occurred prior to the time that the KHPA assumed responsibility for managing Medicaid. I think policymakers will be pleased with the progress we’re making to improve the program.”

In its audit of Medicaid payments from 2006, Nielsen said, the Post Audit report uncovered a number of items in which certain bits of information, like a person’s Social Security number, seemed to be missing, and other cases that appear to be simple data-entry errors. “We were pleased that the LPA found no evidence to suggest any of them are the result of unethical or intentionally criminal behavior,” Nielsen said.

Nielsen also noted that since assuming responsibility for Medicaid in 2006 – the same year as the data examined in the audit – KHPA has engaged in a long-term, intensely focused Medicaid Transformation process that is aimed specifically at making the Kansas Medicaid program more efficient and effective. A full report on the Medicaid Transformation process will be presented to

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the Kansas legislature in the upcoming session.

“We at the Kansas Health Policy Authority recognize the serious financial situation that the state is in this year,” Nielsen said. “We are firmly committed to doing everything in our power to make our programs as efficient and cost-effective as possible and we invite the administration and legislature to join us in that effort. However, we also believe the process needs be driven by solid, data-driven analysis, not anecdotes or cursory reviews.”